

# Coal and Energy Related Equipment

## *Why Trade Matters*

### INDUSTRY SECTOR REPORT

#### General information on

**exports.** U.S. firms exported \$62 billion in coal and energy related equipment in 2000 to more than 180 countries. U.S. exports for this sector increased 42 percent from 1996.

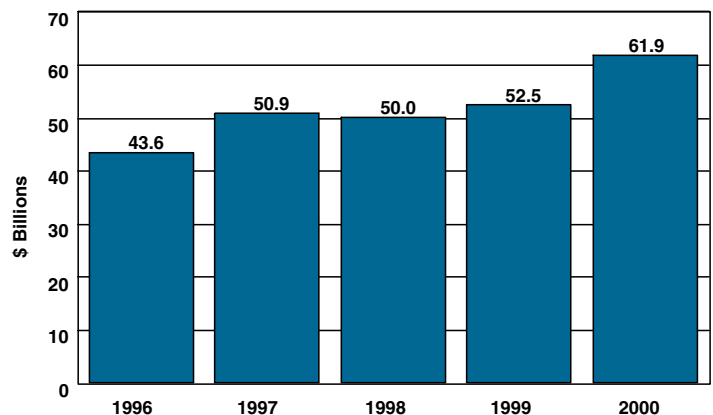
**Market development.** The world market for coal and energy related equipment has risen steadily and is

expected to continue to grow as energy use increases in developing countries. World energy consumption is projected to increase by 59 percent from 1999 to 2020. Much of the growth in worldwide energy use is expected in the developing world. In particular, energy demand in developing Asia and Latin America is projected to more than double between 1999 and 2020.

**Tariffs.** U.S. exporters of coal and energy related equipment continue to face tariffs as high as 24 percent in Argentina and 40 percent in India and Thailand.

**Nontariff barriers.** Significant nontariff barriers include policies restricting the import of goods and services, nontransparent and preferential government procurement practices (especially where government-owned enterprises are concerned), local content requirements, and investment barriers. The inability to provide after sales service also greatly restricts market access for complex equipment.

U.S. Exports of Coal and Energy  
Related Equipment, 1996–2000





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**Small and medium-sized enterprises.** The vast majority of coal and energy related equipment firms are small and medium-sized enterprises, many of which work in niche technologies and markets.

**Research and development.** The U.S. energy sector has engineered many technologies that have increased the efficiency and dependability of modern energy networks. These technologies have improved the energy productivity crucial to economic growth while meeting environmental standards.

**Employment opportunities.** Coal and energy related equipment sector employment in the United States was in excess of 300,000 in 2000.

**Key producing states.** This sector has employment in every state, principally California, Colorado, Kentucky, Oklahoma, Texas, and West Virginia.

**The sector.** The coal and energy related equipment sector, as defined by the APEC energy sectoral initiative, includes coal, oil and gas field equipment, turbines and generators, oil and gas pumps and compressors, oil and gas related tubes and pipes, boilers, motors, transformers, and switches.

## BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- The opening of the Mexican market via NAFTA has created increased opportunities for many energy products. For example, U.S. turbine exports to Mexico have increased by 167 percent since 1996.